

# **Important Notice of Special Town Meeting**

**For Village of Arden  
Monday, April 26, 1999**

**7:30 p.m. • Lower Arden Gild Hall**

## **AGENDA**

**Discuss and act on a proposal to  
initiate actions to consider the possible  
acquisition of the Arden Craft Shop by the  
Village of Arden.**

See inside pages for important information relevant  
to the agenda:

- Background on the proposal
- Proposed motion on  
Craft Shop acquisition
- Proposed motion to fund  
the Craft Shop Acquisition  
Committee operations
- Purchase of Craft Shop  
Preliminary financial analysis
- Craft Shop Finances  
Preliminary financial analysis of operation

**This is an important meeting.  
Please plan on attending.**

Public town meeting. All are welcome. Please note: Those attending town  
meeting are eligible to vote after six consecutive months as an Arden  
resident prior to the meeting and are 18 years old or older.

To this end, the Committee has been in continuous search for a permanent space for years—one recently being Gene Shaw's house, until it was withdrawn at the last moment.

To date we have accomplished and learned the following:

- We brought in a general building inspector, two architects, a property appraiser, a rental value agent, a termite and structural contractor, and our insurance agent, all of whom have gone over the property very thoroughly for an initial inspection.
- The acquisition will require capital funds in the range of \$300,000 to \$500,000 for the purchase, repairs, possible renovations, and establishment of the Arden museum and Archives operation. The probability of obtaining the required funds appears high, but this must be confirmed by a feasibility study yet to be undertaken.
- The majority of funds must come from outside sources such as foundations. The Wynn's also gave us a clear indication of a significant contribution to that effort.
- It seems likely that continuing Arden ownership and operation of the Craft Shop can be self-financed from rents on the existing apartments.

Many issues and questions remain. If we proceed, the proposed Acquisition Committee will work on these issues and routinely report to the Town Assembly. When issues are resolved, the funds are in-hand, and a satisfactory deal is negotiated, we will be ready for the Town Assembly to authorize the purchase. We anticipate that this final action will probably be 1 to 2 years down the road.

The proposed motions for the April 22 Special Town Assembly and preliminary financial analyses of Arden purchase and operation of the Craft Shop are follow for your review.

Sincerely,

Arden Trustees

Gail Rinehart

Marianne Cinaglia

Aaron Hamburger

3/25/99

**To be introduced at  
SPECIAL ARDEN TOWN ASSEMBLY, APRIL 26,1999**

**Motion On Craft Shop Acquisition**

**Moved that:**

The Village of Arden initiate the necessary actions to purchase the Arden Craft Shop for the purposes of preserving and protecting this historic property, providing a permanent home for the Arden Archives, establishing an Arden Museum and supporting rental housing in the Village.

To accomplish the necessary work to effect the Craft Shop acquisition, the Village of Arden establishes a Craft Shop Acquisition Committee with the charge to act on behalf of the Town Assembly to:

- Determine renovation and other capital costs related to Craft Shop ownership.
- Determine the feasibility of raising the necessary capital funds.
- Proceed with fund raising and financing.
- Handle legal issues.
- Negotiate a purchase agreement with the Craft Shop owners.
- Develop a plan for managing the operation of the Craft Shop.

The Acquisition Committee shall comprise of one Trustee, the Chair of the Advisory Committee, a member of the Archives Committee, a member of the Community Planning Committee and three residents of Arden appointed by the Advisory Committee from interested volunteers.

The Acquisition Committee shall report at each Town Assembly on the progress of their work.

When funding is secured, legal issues resolved, and a final purchase agreement is negotiated, the Acquisition Committee shall present the Craft Shop acquisition proposal to the Town Assembly at a regular or special meeting for authorization to proceed with purchase, to appropriate the necessary funds and to approve the management plan for operation of the property.

**Motion To Fund Craft Shop Acquisition Committee Operations**

**Moved that:**

A budget of \$2000 be established to fund the initial operations of the Craft Shop Acquisition Committee. This budget is to be used for expenses from consultation with professionals, investigation of legal issues, capital fundraising, administrative costs and general costs incurred in executing the committee's tasks as charged by the Arden Town Assembly.



## **CRAFT SHOP BACKGROUND INFORMATION**

In late January, we became aware of a possible opportunity for Arden to purchase the Craft Shop. Bob and Phyllis Wynn, owners of the building and aware of the constant search for permanent space for the Archives and a planned Arden Museum, were offering us a viable chance to pursue purchase as they intended to sell the property sometime in the next 2–5 years. We, as Trustees, felt that it was an important opportunity that warranted careful review and Village consideration for it is not often that we have a chance to purchase one of the true historic buildings in the Village of Arden—one that has clear ties to the very underpinnings and essence of who we are as a community. We formed an ad hoc committee of 15 people, trying to draw on a variety of perspectives and professional skills, to begin exploration. This group determined the immediate investigative steps that should be taken to generate relevant information, acted on these steps, and developed a process to bring this issue to the Village, which included an article in the Arden Page, an informational meeting on March 14, formal presentation of the opportunity at the March 22 Town Assembly, and the Special Town Meeting scheduled for April 26 for continued discussion and action on motions to create and fund an Acquisition Committee. The Committee's job would be to investigate specific areas of information, determine a multi-faceted plan of action and lead the Village through an appropriate process as we assess the wisdom and feasibility of Arden ownership of the Craft Shop.

Our hope is that we take this opportunity to learn and to logically evaluate the situation so that we can make intelligent decisions over the coming months. We have tried to put many checks in place so that Town Assembly approval is required at various points along the way in order for us to proceed to the next step. Timing for the Village's decision to go forward with the process is April because there are significant advantages to beginning the fundraising aspect as soon as possible. Specifically, the application deadline for a one-time State of Delaware Community Development grant is May 1 and tying the purchase to our upcoming Centennial enhances our prospects in the eyes of potential contributors.

It is useful to review the mission of the Archives Committee. The Archives was established to "... preserve and perpetuate the history of Arden as an intentional community."

There are 3 specific duties outlined in the charge:

1. Collect, catalog and preserve Arden documents, photos, art work and memorabilia.
2. Present displays and programs about Arden's past, its people and its arts.
3. Work towards creating and funding a permanent museum, with the immediate need for storage and space.

## CRAFT SHOP FINANCES

	Actual Expenses in 1998	Arden Operation—Expected Range of Conditions	
		Probable Low Expense Case	Probable High Expense Case
		Assumptions: • No major changes to apartments • No mortgage	Assumptions: • Apartments renovated • \$150,000 mortgage (8%, 20 yr.)
<b>Gross Income</b>			
Rent	\$27,200	\$21,000	\$30,500
<b>Expenses</b>			
Maintenance	670	4,000 (a)	4,000 (a)
Insurance	760	1,200	1,200
Oil	2,800	3,000	3,000
Electric & gas	1,000	1,000	1,000
Water & Sewer	800	800	800
Taxes (land rent)	1,790	—	—
Depreciation	4,050	—	—
Mortgage	—	—	15,000
Miscellaneous	450	1,000	1,000
	\$12,320	\$11,000	\$26,000
<b>Net Income</b>	\$14,880	\$10,000 (b)	\$ 4,500 (b)

Note (a): Maintenance detail

Item	Amount	Life in years	Annual Expense
Roof	\$16,000	20	\$ 800
Painting	\$10,000	10	\$1,000
Heating	\$15,000	25	\$ 600
General repairs	—	—	\$1,600
			<b>Total \$4,000</b>

Note (b): Income can be used to operate the proposed Arden Museum and/or reserved for future Village needs and/or added to Arden's general funds.

**PURCHASE  
OF THE CRAFT SHOP**

**Expected Range of Dollar Amounts (a)**

Capital Funds Required

Craft Shop Purchase Price	\$250,000	to	\$300,000
Repairs	20,000	to	40,000
Apartments & Building Renovations	25,000	to	150,000
Install Archives & Museum Operations	<u>25,000</u>	to	<u>50,000</u>
Total Funds:	\$325,000	to	\$540,000

Sources of Capital Funds

Capital Fund Raising (Foundations, State of Delaware, Private Contributors)	\$250,000	to	\$500,000
Wynn's Contribution	25,000	to	100,000
Village of Arden	20,000	to	30,000
Mortgage	zero	to	150,000

Note (a): Each line item may vary independently.

3/25/99